

REMARKS

Applicants have amended claims 1 and 24-46 and the specification to correct references to application figures, consistent with the previously submitted formal drawings. Applicants submit that no new matter has been added. In view of the above amendments and the following remarks, reconsideration of the outstanding office action is respectfully requested.

The Office has rejected claims 1-46 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,704,045 to King et al (King) in view of U.S. Patent Application Publication No. 2002/0035488 to Aquila et al (Aquila). The Office asserts that King discloses: entering assessment data, said assessment data including information associated with a state fund, an insolvency, and an insurance account (See King, Col.5, lines 45-67); associating said assessment data with a first status indicating said assessment data is not integrated to a member level in a hierarchical data arrangement of said assessment data, said first status having a first set of at least one corresponding data operation (See King, Col.10, lines 1-29). The Office acknowledges that King does not disclose updating said first status to a second status indicating said assessment data is integrated to said member level in said hierarchical data arrangement, said second status having a second set of at least one corresponding data operation different from said first set. However, the Office asserts Aquila suggests updating said first status to a second status indicating said assessment data is integrated to said member level in said hierarchical data arrangement, said second status having a second set of at least one corresponding data operation different from said first set (See Aquila, Page 7, Paragraphs 0129-0131; Page 13, Paragraphs 0239-0242). The Office asserts it would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Aquila within the system of King with the motivation of auditing sub-system which applies insurance carrier specific business rules, government regulations, and comprehensive trending analysis to detect and rectify any inconsistencies and irregular processing of claims, by auditing internal processes or user or service providers submitted data (See Aquila, Page 2, Paragraph 0023).

Neither King nor Aquila, alone or in combination, disclose or suggest, “obtaining assessment data associated with . . . at least one insurance insolvency . . . determining when an assessment is needed based on a size of at least one insurance insolvency and an amount in at least one state fund” as recited in claims 1 and 24.

The Office has cited to col. 5, lines 47-67 in King for support of its position

which states:

The present method and system permits parties to transfer any type of financial risk exposure to the risk acceptance subsystem of an entity which has adopted the system, then to provide absolute assurance of timely payment through dedicated transactional capital and premium of the risk diversification subsystem matched to the risk accepted. In the preferred embodiment, an insurance company is the entity which adopts the system, although other enterprises could also utilize the invention.

Under the structure, profits and losses flow through the insurer-entity's risk diversification subsystem, which is designed to diversify risk through several methods hereafter described, which involve the participation of several classes of investors, participating in specific risks. The reserve management subsystem relies on data processing and reporting functions which maintain the risk diversification subsystem at an amount in excess of the risk acceptance subsystem, as well as balancing the values of these subsystems with monetary assets held by fiduciary custodians.

The assets, liabilities and capital of these two subsystems are maintained preferably under a separately established and statutorily protected category of assets, liabilities and capital, referred to as Reserved Assets. The balance of the entity's or insurer-entity's assets, liabilities and capital are classed as General Assets.” (Emphasis added).

However, as illustrated by the underlined portions above, King is only disclosing a risk diversification system among different classes of participating investors. King has nothing to do with obtaining data associated with an insurance insolvency, let alone determining when an assessment is needed based on a size of at least one insurance insolvency and an amount in at least one state fund.

Additionally, the Office has cited to col. 10, lines 1-29 in King for support of its position:

The underwriter's primary task is the analysis of risks, establishment of policy limits, determination of appropriate premiums, and recommendation of policy issuance. Upon receipt of a request for quotation,(4) a detailed report analyzing the proposed risk is prepared with the assistance of a data processing program which compares the proposed risk to a set of underwriting guidelines broadly designed to assure compliance with specific program objectives, capital matching limitations, and system constraints. A key element of this comparative data system is an interactive pricing model which takes into consideration program guidelines, current and projected market interest rates, an assessment of projected losses, equity and debt return expectations, various cost and profit objective factors and other information necessary to determine the amount of capital matching support required to accept the proposed risk and the minimum premium level which would justify its acceptance. It also analyzes the underwriter's current portfolio of business and capital matching capacity.(5)

The underwriter may then respond via electronic means as to whether or not the underwriter is prepared to recommend the acceptance of the risk and at what price.(6) Since various underwriters may tailor their programs differently, more particularly the diversification profile of risks they assume, their cost of capital matching (returns investors expect for the use of capital allocated to risks underwritten by an underwriter), costs of underwriting, and profit expectations can vary substantially. Thus requesting a quote from several underwriters may result in a variety of preliminary indications.

However, as illustrated by the underlined portions above, King is only disclosing the use of an underwriter to determine whether a future risk is acceptable and at what price. Again, King has nothing to do with obtaining data associated with an insurance insolvency, let alone determining when an assessment is needed based on a size of at least one insurance insolvency and an amount in at least one state fund. Similarly, Aquila makes no mention of insurance insolvency, let alone determining when an assessment is needed based on a size of at least one insurance insolvency and an amount in at least one state fund.

In view of the foregoing amendments and remarks, the Office is respectfully requested to reconsider and withdraw the rejection of claims 1 and 24. Since claims 2-23 depend from and contain the limitations of claim 1 and claims 25-46 depend from and contain the limitations of claim 24, they are distinguishable over the cited references and patentable in the same manner as claims 1 and 24.

In view of all of the foregoing, Applicants submit that this case is in condition for allowance and such allowance is earnestly solicited.

Respectfully submitted,

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/Gunnar G. Leinberg/
Gunnar G. Leinberg
Registration No. 35,584

NIXON PEABODY LLP
Clinton Square, P.O. Box 31051
Rochester, New York 14603-1051
Telephone: (585) 263-1014
Facsimile: (585) 263-1600